

# Milk Chief Pleads Guilty to Bribery

## Washington

The former chief of the nation's largest milk producers cooperative, Harold S. Nelson, pleaded guilty yesterday to participating in a conspiracy to bribe John B. Connally.

Connally, a former governor of Texas and treasury secretary during President Nixon's first term, was indicted Monday for allegedly accepting a \$10,000 bribe from the milk producers. He said he is innocent and will fight the charges.

Nelson, former general manager of Associated Milk Producers Inc., said the

conspiracy also includes donation of more than \$300,000 in corporate money to both Democrats and Republicans in the federal elections of 1968, 1969 and 1972.

He admitted conspiring with two others to bribe Connally in return for his help in persuading President Nixon to raise milk price supports in 1971.

Specifically, Nelson said he authorized lobbyist Bob A. Lilly to give \$10,000 to Jake Jacobsen to pass on to Connally. Jacobsen, a lawyer who then worked for the milk producers, had been a White House aide to President Lyndon B. John-

son and was a friend of Connally.

As part of the guilty plea, Nelson promised to cooperate with Watergate prosecutors and to appear as a trial witness.

Lobbyist Lilly, who received immunity from prosecution last November, has already testified that Jacobsen asked him for the money to give to Connally after the former treasury secretary helped get price supports raised in March 1971. Lilly quoted Jacobsen as saying, "The man wants his money."

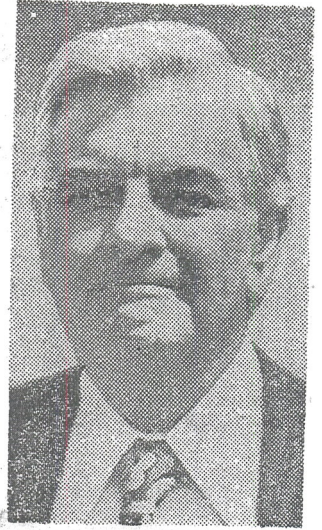
Lilly also testified that Nelson authorized him to give the money to Jacobsen. Until yesterday, Nelson had never admitted giving such authorization.

Jacobsen once swore that Connally refused to take the \$10,000, but informed sources said he recently agreed to plead guilty to a single bribery count and to testify against Connally in return for favorable treatment.

Jacobsen was indicted along with Connally and is scheduled to enter his plea next week. He was charged with one bribery count while Connally was charged with five counts including bribery, perjury and conspiracy.

The illegal corporate donations that Nelson admitted authorizing as chief of the milk producers cooperative include:

- \$63,500 to the Democratic party for a "Salute to the Vice President Dinner" during Hubert H. Humphrey's 1968 presidential campaign.
- \$38,000 to support Humphrey and others who were not named, during the 1968 elections.
- \$100,000 to reimburse the cooperative's political arm for money given to Herbert W. Kalmbach, the President's chief fundraiser in 1969.



AP Wirephoto

**HAROLD S. NELSON**  
**He OK'd \$10,000**

- \$23,950 to Humphrey's 1970 Senate race.

- \$10,000 to the 1970 campaign of former Representative Page Belcher (Rep.-Okla.).

- \$5,000 to the 1970 Senate campaign of Phillip Hoff (Dem.-Vt.).

- \$8400 to the 1970 Senate campaign of Edmund S. Muskie (Dem.-Me).

- \$82,000 to buy computer mail lists for various Democratic campaigns in 1972. The sum included \$25,000 for Humphrey's presidential primary campaign, \$7000 for the Senate campaign of James Abourezk (Dem.-S.D.) and \$50,000 for various unnamed Democrats in Iowa.

Norman Sherman, former vice presidential press secretary to Humphrey, was charged on Tuesday along with his partner, John Valentine, with aiding and abetting the \$82,000 donation.

Nelson faces a possible maximum penalty of five years in jail and a \$10,000 fine on his guilty plea.

Nelson's second-in-command at the cooperative, David L. Parr, pleaded guilty last week to a single felony count of conspiring to donate corporate money to several federal candidates, including some of the donations that figure in Nelson's guilty plea.

Both Nelson and Parr were stripped of power in January, 1972, by the farm group's board of directors.

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